

REMARKS

Claims 1-25 and 45-69 stand rejected. Claims 26-44 and 70-74 are withdrawn. Claims 2-7, 20-25, 46-51, 53-62 and 64-69 have been amended. The Applicants respectfully request reconsideration. No new matter has been added.

Claim Rejections - 35 U.S.C. §112

Claims 2-7, 20-25, 46-51, 53-62 and 64-69 were rejected under 35 U.S.C. §112, second paragraph as being indefinite.

Specifically, claims 2-4, 6, 20-25, 46-48, 50-51, 53-62 and 64-69 were rejected because the claim uses language such as “wherein,” “where,” and fail to require additional steps to be performed or to further limit the claims to a specific structure. Appropriate amendment has been made.

Claims 3 and 47 have been amended to clarify the term “status.” Specifically, the term “status” is now replaced with the term “preferred client status.” Support for this amendment can be found at least in the specification as originally filed on page 13, lines 8-19.

Claims 5, 7, 49 and 51 have been amended to remove the term “if.”

Claims 5 and 49 have been amended to remove the term “acceptable.” Support for this amendment can be found at least in the specification as originally filed on page 14, line 14 to page 15, line 2.

Claims 24, 25, 68 and 69 have been amended to correct the language of the recited Markush groups.

Claims 53-59 have been amended to correct the lack of antecedent basis.

Based on the foregoing amendments, Applicants respectfully request withdrawal of these rejections. No new matter is introduced.

Claim Rejections - 35 U.S.C. § 103

The Office Action rejected claims 1, 4, 8, 11, 14-18, 22-25, 45, 48, 52, 55, 58-62, 66-69 as being unpatentable under 35 U.S.C. §103(a) over U.S. Patent Application Publication No. 2002/0023053 ("Szoc") in view of U.S. Patent Application Publication No. 2002/0082967 ("Kaminsky et al").

The Office Action also rejected claims 2, 3, 5-7, 9, 10, 12, 13, 19-21, 46, 47, 49-51 53, 54, 56, 57 an 63-65 as being unpatentable under 35 U.S.C. §103(a) over Szoc in view of Kaminsky et al in further view of U.S. Patent 5,787,402 ("Potter").

Claims 1-25 and 45-69

Claims 1 and 45 as originally filed recite a method and system, respectively, for managing risk associated with providing real-time trading services. Szoc, Kaminsky et al. and Potter, both individually and in combination, fail to teach or suggest calculating a total exposure based on the exposures for outstanding dealing quotes that have not expired, as recited in claims 1 and 45.

Specifically, claims 1 and 45 recite steps of and structure for, respectively, providing a plurality of dealing quotes, each of the dealing quotes having a duration; calculating an exposure associated with each of the dealing quotes during the respective durations; calculating a total exposure based on the exposures for all of the dealing quotes that have not expired; and adjusting future dealing quotes based on the total exposure.

Applicants teach that financial institutions provide "clients with dealing quotes the clients can trade on within the quote duration, the financial institution's risk position at any given time must also account for the risk exposure that would accrue to the financial institution if any clients execute a transaction based on an outstanding dealing quote." (see the subject specification as originally filed on page 17, line 22 to page 18, line 2).

For example, according to one embodiment as described with respect to FIG. 7, all outstanding dealing quotes are tracked that have yet to expire. Based on real-time pricing information received from spot ticker, the potential risk exposure that may arise if the dealing quotes were traded on by the particular clients is determined. If exposure manager determines that the financial institution is exposed to an unacceptable level of risk based on outstanding

dealing quotes and trades that have not been booked into the institution's risk systems, then any number of responsive measures may be taken. For example, a quote engine may be directed to either widen the spread, shorten the duration or shorten the tenor of future price quotes. (see FIG. 7 and the subject specification as originally filed on page 17, line 19 to page 18, line 18).

The Office Action acknowledges that Szoc fails to teach or suggest the claimed steps of, or structure for, calculating a total exposure based on the exposures for all of the dealing quotes that have not expired and adjusting future dealing quotes based on the total exposure as recited in claims 1 and 45. However, the Examiner is of the opinion that Kaminsky discloses these features. We respectfully disagree.

In Kaminsky et al, the risk position of a financial institution is determined solely on the risk exposure attributed to its recent trades as opposed to outstanding dealing quotes. Specifically, Kaminsky states that the aggregate risk of a market-maker's recent trades is calculated after each trade and that the aggregate risk can be calculated as one of the following:

- net delta stock position of all the trades for a specific market-maker or a designated group of market-makers in a given class in a given period of time (see page 7, para. [0087]-[0110])
- net contract volume traded within a specified time (see page 8, para. [0111]-[0113])
- total number of put or call contracts (or deltas) that have been sold or bought within a given time frame within that last N trades (see page 8, para. [0114]-[0115])

As a result, Kaminsky fails to teach or suggest calculating a total exposure based on the exposures for all of the dealing quotes that have not expired and adjusting future dealing quotes based on the total exposure as recited in claims 1 and 45.

Potter et al do not teach or suggest any means for managing risk associated with providing real time trade at all. (see discussion of Potter et al in the Background section of the subject specification as originally filed).

For at least these reasons, it is believed claims 1 and 45 are patentable as they are neither taught nor suggested in view of the cited art of record.

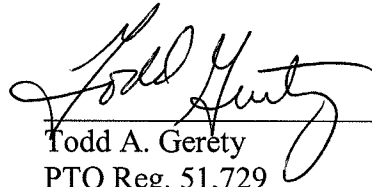
Furthermore, by virtue of at least their dependency to claims 1 and 45 respectively and the additional features recited therein, it is believed that claims 2-25 and 46-69 are also patentable.

CONCLUSION

In view of the above amendments and remarks, it is believed that claims 1-25 and 45-69 are in condition for allowance, and it is respectfully requested that the application be passed to issue. If the Examiner feels that a telephone conference would expedite prosecution of this case, the Examiner is invited to call the undersigned.

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